

AR30

File

INTERIM REPORT

Six Months
Ended June 30, 1974

OSF INDUSTRIES LIMITED
2256 Lakeshore Blvd., Toronto, Ontario

osf
OSF INDUSTRIES LIMITED

TO THE SHAREHOLDERS:

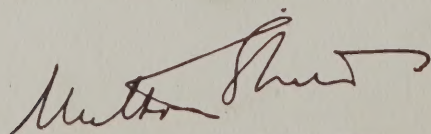
The move to the new plant at Bramalea with the resultant dislocations, retraining of staff and the integration of three manufacturing operations accounted for the first half net loss of \$310,637.

Historically, our second half is the important period in recording sales and profits. The cycle in retailing is to complete and open new outlets late in the year to coincide with consumer buying patterns. We expect sales in the second half to be double the sales for the first six months. We anticipate therefore, total sales for 1974 to be comparable to 1973. As a result, operations for the full year will be profitable.

I cannot stress too greatly the importance of the innovations, improved equipment and facilities of the new plant. The Bramalea plant now gives your company the necessary capacity to expand production and therefore to undertake a larger volume of business. Such a growing volume continues to develop. Our backlog is growing and the plans and committed projects of our regular customers indicate bright prospects for some time ahead.

The plans of our customers are closely linked to retail activity. Even allowing for price inflation, retail sales in Canada appear to be continuing to increase beyond the hectic activity of 1973. Our customers find it necessary to continue expanding to serve the buying public.

Fortunately we now are in an excellent position to meet their requirements smoothly and efficiently and to the benefit of OSF Industries Limited.



MILTON SHIER,
President.

August 26, 1974

OSF INDUSTRIES LIMITED

INTERIM UNAUDITED CONSOLIDATED

REVENUE — fixture and food service equipment

Income (loss) from operations before the following items

- Depreciation and amortization of fixed assets
- Amortization of deferred startup costs
- Interest on debentures and amortization of deferred

INCOME (LOSS) BEFORE TAXES ON INCOME

Taxes on income (recovery) — current

— deferred

INCOME (LOSS) BEFORE EXTRAORDINARY ITEM EXTRAORDINARY ITEM

Loss from discontinued real estate operations

NET INCOME (LOSS) FOR PERIOD

Earnings (loss) per share before extraordinary item

Net earnings (loss) per share

INTERIM UNAUDITED CONSOLIDATED STATEMENTS

SOURCE OF FUNDS FROM OPERATIONS

Net income (loss) for period

Non-cash items included in the determination of net income

- Depreciation and amortization of fixed assets
- Amortization of deferred startup costs and debenture
- Deferred income taxes
- Transfer to income of deferred profit on sale of

Sale of real estate

Issue of common shares

Decrease in long term receivable

USE OF FUNDS

Decrease in mortgages payable on sale of real estate

Increase in mortgages receivable — real estate

Purchase of fixed assets

Payment of dividends

Decrease in loans payable — real estate

Increase in deferred charges

Purchase of goodwill

Purchase of investments

Increase (decrease) in working capital

Working Capital (Deficit) — January 1

Working Capital (Deficit) — June 30

SUBSIDIARY COMPANIES

D STATEMENT OF INCOME

	Six Months Ended June 30	
	1974	1973
	\$11,111,926	\$12,023,181
	(174,068)	1,505,149
	181,015	120,981
	42,650	42,650
nture issue expenses	127,468	127,468
	351,133	291,099
	(525,201)	1,214,050
	(117,109)	479,721
	(103,472)	92,279
	(220,581)	572,000
	(304,620)	642,050
	(6,017)	(32,159)
	\$ (310,637)	\$ 609,891
	(14¢)	30¢
	(14¢)	28¢

ENT OF SOURCE AND USE OF FUNDS

	Six Months Ended June 30	
	1974	1973
	\$ (310,637)	\$ 609,891
ome (loss)	181,290	122,429
sue expenses	57,618	57,618
	(103,472)	92,279
tate	—	(15,533)
	(175,201)	866,684
	486,364	3,928,409
	3,712	30,983
	304,819	(27,000)
	\$ 619,694	\$ 4,799,076
	119,533	2,929,327
	197,951	539,757
	1,276,338	295,360
	57,989	57,560
	241,800	107,800
	488,492	—
	100,000	—
	452	—
	\$ 2,482,555	\$ 3,929,804
	(1,862,861)	869,272
	(447,651)	(1,413,960)
	\$ (2,310,512)	\$ (544,688)

TO THE SHAREHOLDERS:

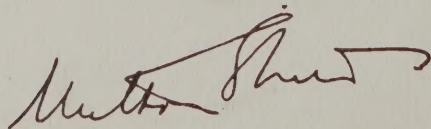
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A handwritten signature in dark ink, appearing to read 'Milton Shier', with a stylized flourish at the end.

MILTON SHIER,
President.

August 26, 1974

AR30

CanCorp

INTERIM REPORT

Six Months
Ended June 30, 1973

OSF INDUSTRIES LIMITED
2256 Lakeshore Blvd., Toronto, Ontario

osf
OSF INDUSTRIES LIMITED

TO THE SHAREHOLDERS:

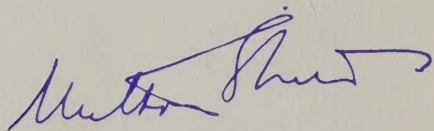
The financial results presented in the accompanying report for the 6 Month comparative periods ended June 30, 1973 and 1972, reflect the company's substantial growth in sales and earnings.

Sales for the period under review, totalled \$12,023,181 as compared to \$6,899,612 for the same period last year, an increase of 74%. Net income was \$609,891 as compared to \$318,792 for the corresponding period in 1972, an increase of 91%.

In order to meet the increasing demand for our products and services, and as indicated in a previous report, three divisions of our company will be moving into a new 365,000 sq. ft. plant being built to our specifications and requirements in Bramalea. I am pleased to advise that this building is nearing completion. We expect to be in operation in this new plant in January 1974, and your company will then be virtually self-sufficient having total control of the various components and manufacturing processes that make up its products.

Your management anticipates a steady and continuous growth in sales and earnings and expects operating results for the second half of the year to show improvement over results reported for the first 6 months.

We look forward with confidence to the continuing growth of your company.



MILTON SHIER,
President.

August 27, 1973

O S F INDUSTRIES LIMITED INTERIM UNAUDITED CONSOLIDATED

REVENUE — fixtures and food service
Income from operations before the following items
Depreciation and amortization of fixed assets
Amortization of deferred startup costs
Interest on debentures and amortization of debt
.....

INCOME BEFORE TAXES ON INCOME
Taxes on income — current
— deferred
.....

INCOME BEFORE EXTRAORDINARY ITEMS
EXTRAORDINARY ITEMS
*Loss from discontinued real estate operation
Loss from discontinued office planning and
.....

NET INCOME
Earning per share before extraordinary items
Net earnings per share
* Real estate gross revenue for six months ended June 30, 1973 (\$5,926,861).

NOTE: The company's loss from real estate results primarily from the sale of real estate valued at its estimated market value at December 31, 1972. The company intends to continue to liquidate its real estate assets at year end.

INTERIM UNAUDITED CONSOLIDATED STATEMENT OF

SOURCE OF FUNDS
FROM OPERATIONS
Net income for period
Non-cash items included in the determination of net income (as described below)
.....

Increase in bank indebtedness
Increase in bank indebtedness — real estate
Decrease in real estate
Decrease in accounts receivable — real estate
Increase in accounts payable and accrued liabilities
Increase in income taxes payable
Issue of common shares
Increase in customers' deposits
Increase in purchasers' deposit — real estate
.....

USE OF FUNDS
Increase in accounts receivable
Increase in raw materials and work in progress
Increase in mortgages receivable — real estate
Increase in property, plant and equipment
Decrease in other taxes payable
Decrease in mortgages payable — real estate
Decrease in loans payable — real estate
Decrease in accounts payable and accrued liabilities
Payment of dividends
Increase in investments
.....

NON-CASH ITEMS INCLUDED IN

Depreciation and amortization of fixed assets
Amortization of deferred startup costs and debenture discount
Deferred income taxes
Shares issued for services
Transfer to income of deferred profit on sale of real estate
.....

ND SUBSIDIARY COMPANIES

ATED STATEMENT OF INCOME

Six Months Ended June 30

	1973	1972 (Restated)
	\$12,023,181	\$6,899,612
	1,505,149	804,152
	120,981	52,538
	42,650	—
debt issue expenses	127,468	—
	291,099	52,538
	1,214,050	751,614
	479,721	395,300
	92,279	—
	572,000	395,300
	642,050	356,314
	32,159	12,435
operation	—	25,087
	32,159	37,522
	\$ 609,891	\$ 318,792
	30¢	17¢
	28¢	15¢

1973 was \$3,093,609 (six months ended June 30, 1972 —

y from its rental operations. The real estate has been
1, 1972 plus net carrying charges to June 30, 1973. The
state in an orderly fashion and reappraise its remaining

EMENT OF SOURCE AND USE OF FUNDS

Six Months Ended June 30

	1973	1972 (Restated)
et income	\$ 609,891	\$ 318,792
	256,793	58,335
	866, 684	377,127
	1,297,772	1,279,119
	119,496	136,735
	3,928,409	4,254,872
	46,155	9,856
	430,653	718,449
	411,385	381,055
	30,983	8,302
	1,782,981	801,683
	3,465	(211,476)
	\$ 8,917,983	\$7,755,722
	\$ 262,826	\$ 895,444
ies	3,919,661	1,815,590
	539,757	321,025
	295,360	534,720
	113,707	15,945
	2,929,327	4,326,401
	107,800	(205,000)
- real estate	691,985	(5,857)
	57,560	57,174
	—	280
	\$ 8,917,983	\$7,755,722

DETERMINATION OF NET INCOME

	\$ 122,429	\$ 54,368
expense	57,618	—
	92,279	—
	—	19,500
e	(15,533)	(15,533)
	\$ 256,793	\$ 58,335

TO THE SHAREHOLDERS:

Sales from completed contracts totalled \$7,145,773 for the six months ended June 30, 1972. Profits were \$318,792. Sales and profits are recorded only when contracts have been completed. For the same period a year earlier, sales were \$6,991,596 and profits \$405,394.

Based on contracts scheduled for completion in the second half of the year, the company anticipates a substantial increase in sales and profits as compared to results for the first half of the year. The scheduled completions indicate that our sales projection of \$20,000,000 for 1972 will be achieved with profits reflecting this greater activity.

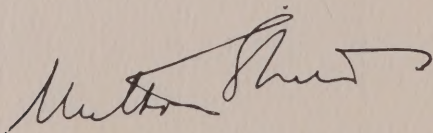
The company's current order backlog now extends well into 1973 and commitments have been received for 1974 completions.

As reported to you previously, your company is continuing to liquidate its real estate properties in an orderly fashion.

Your company has arranged with Standard Securities Limited for the private placement of \$3 million, principal amount of 7½% convertible debentures. The 10 year term debentures will be convertible at \$8.50 per share. The funds received will be used to expand our production capacities and for corporate purposes.

Your company's export sales are increasing and arrangements have been concluded with the Ontario Development Corporation under their export support program for loans amounting to \$795,675 at 6½% interest for financing the overseas installations of store fixtures and food service equipment.

We look forward with confidence to the continuing growth of your company.



MILTON SHIER,
President.

August 29, 1972

O S F INDUSTRIES LIMITED

INTERIM UNAUDITED CONSOLIDATED

REVENUE — fixture and food service
Income from operations before depreciation and amortization
Depreciation and amortization of fixed assets

INCOME BEFORE TAXES ON INCOME
Taxes on income

INCOME BEFORE EXTRAORDINARY ITEM
EXTRAORDINARY ITEM
* Loss from real estate (Note)

NET INCOME
Earnings per share before extraordinary item
Net earnings per share

* Real estate gross revenue for six months ended June 30, 1972
\$5,553,131

NOTE: The company's loss from real estate results from the liquidation of real estate assets valued at its estimated market value at December 31, 1971. The company intends to continue to liquidate its real estate assets at year end.

INTERIM UNAUDITED CONSOLIDATED STATEMENT OF

SOURCE OF FUNDS

From Operations

Net income for period
Non-cash items included in the determination of net income
(as described below)

Increase in bank indebtedness
Increase in bank indebtedness — real estate
Decrease in real estate
Decrease in accounts receivable — real estate
Increase in accounts payable and accrued liabilities
Increase in accounts payable and accrued liabilities
Increase in income taxes payable
Issue of common shares
Increase in customers' deposits
Increase in loans payable — real estate
Decrease in short term deposit receipts
Increase in notes payable to shareholders

USE OF FUNDS

Increase in accounts receivable
Increase in inventories
Increase in mortgages receivable — real estate
Increase in investments
Increase in property, plant and equipment
Decrease in other taxes payable
Decrease in purchasers' deposits — real estate
Decrease in mortgages payable — real estate
Payment of dividends
Net changes in other assets and liabilities

NON-CASH ITEMS INCLUDED IN STATEMENT OF

Depreciation and amortization
Transfer of income to deferred profit on sale of real estate
Shares issued for services

D SUBSIDIARY COMPANIES

ED STATEMENT OF INCOME

	Six Months Ended June 30	
	1972	1971 (Restated)
	<u>\$7,145,773</u>	<u>\$6,991,596</u>
tion of fixed assets	780,895	1,094,103
	54,368	73,325
	<u>726,527</u>	<u>1,020,778</u>
	395,300	599,155
	<u>331,227</u>	<u>421,623</u>
	(12,435)	(16,229)
	<u>\$ 318,792</u>	<u>\$ 405,394</u>
	15½¢	20¢
	15 ¢	19¢

1972 was \$5,926,861 (six months ended June 30, 1971 —

from its rental operations. The real estate has been
, 1971 plus net carrying charges to June 30, 1972. The
ate in an orderly fashion and reappraise its remaining

MENT OF SOURCE AND USE OF FUNDS

	Six Months Ended June 30	
	1972	1971 (Restated)
	<u>\$ 318,792</u>	<u>\$ 405,394</u>
income	58,335	57,792
	<u>377,127</u>	<u>463,186</u>
	1,279,119	278,252
	136,735	122,670
	<u>4,254,872</u>	<u>1,761,678</u>
	9,856	(320,345)
	718,449	699,353
al estate	5,857	(1,174,235)
	381,055	588,090
	8,302	13,931
	801,683	(191,927)
	205,000	2,155,303
	—	738,952
	—	625,000
	<u>\$8,178,055</u>	<u>\$5,759,908</u>
	\$ 895,444	\$1,331,361
	1,815,590	730,953
	321,025	3,078,746
	280	2,447
	534,720	154,253
	15,945	(108,851)
	211,476	(47,004)
	4,326,401	496,062
	57,174	56,543
	—	65,398
	<u>\$8,178,055</u>	<u>\$5,759,908</u>

ETERMINATION OF NET INCOME

	\$ 54,368	\$ 73,325
	(15,533)	(15,533)
	19,500	—
	<u>\$ 58,335</u>	<u>\$ 57,792</u>

TO THE SHAREHOLDERS:

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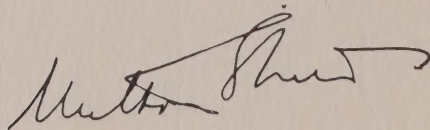
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MILTON SHIER,
President.

August 29, 1972

ND SUBSIDIARY COMPANIES

ATED STATEMENT OF INCOME

	Six Months Ended June 30	
	1975	1974 Restated
	<u>\$15,479,645</u>	<u>\$11,111,926</u>
	270,726	(732,353)
	228,717	181,015
	42,650	42,650
	1,875	—
debenture issue expenses	163,015	127,468
	436,257	351,133
EMS	<u>(165,531)</u>	<u>(1,083,486)</u>
	84,350	(118,330)
	—	(182,624)
	84,350	(300,954)
	<u>(249,881)</u>	<u>(782,532)</u>
	90,000	—
	(14,961)	(6,017)
	75,039	(6,017)
	<u>\$ (174,842)</u>	<u>\$ (788,549)</u>
	(11¢)	(36¢)
	(8¢)	(36¢)

ENT OF CHANGES IN FINANCIAL POSITION

	Six Months Ended June 30	
	1975	1974 Restated
	<u>\$ (249,881)</u>	<u>\$ —</u>
	228,717	—
nture issue expenses	57,590	—
	1,875	—
	<u>38,301</u>	<u>—</u>
	—	486,364
	159,451	—
	14,030	—
	—	3,712
	—	304,819
	90,000	—
	2,000,000	—
	<u>\$ 2,301,782</u>	<u>\$ 794,895</u>
	—	782,532
	—	(181,290)
nture issue expenses	—	(57,618)
	—	182,624
	—	726,248
	—	119,533
	35,075	—
	—	197,951
	49,386	—
	184,973	1,276,338
	—	57,989
	—	241,800
	—	75,000
	—	452
	14,961	6,017
	<u>284,395</u>	<u>2,701,328</u>
	2,017,387	(1,906,433)
	(3,611,179)	(461,851)
	<u>\$ (1,593,792)</u>	<u>\$ (2,368,284)</u>

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President.

August 29, 1972

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Camp

INTERIM REPORT

Six Months
Ended June 30, 1975

OSF INDUSTRIES LIMITED
8045 Dixie Road
Bramalea, Ontario, Canada



OSF INDUSTRIES LIMITED
8045 DIXIE ROAD (corner STEELES AVE.)
BRAMALEA, ONTARIO, CANADA L6T 3V3

THE SHAREHOLDERS:

Consolidated sales of OSF Industries Ltd. rose to \$15,479,000 for the six months ended June 30, 1975 as compared with sales of \$11,112,000 for the first half of 1974. This represents an increase of about 40%. Operating results also improved, although the Company again reports a loss. The net loss after extraordinary items is \$174,842 compared with the restated net loss of \$788,549 for the six months ended June 30, 1974.

There are indications that many of our customers are resuming expansion and renovation programs deferred in the economic recession of last year. While it is still too early to determine whether a complete revival is underway, our companies are receiving an increased volume of orders with the result that we expect sales in the second half of 1975 to be even greater than the first half of the year.

During the first six months many orders which had been deferred from the previous year were completed. Partially as a result of generally-rising costs in Canada during that period these projects were not as profitable as had been anticipated, however on orders accepted this year, profitability should be improved.

With the assistance of our management consultants, operations are being integrated and cost-cutting programs being developed and instituted. Our efforts to return the Company to a more profitable basis will be pressed most aggressively.



MILTON SHIER
 President

September 15, 1975

SALES

Income (loss) from operations before the following items
 Depreciation and amortization of fixed assets
 Amortization of deferred startup costs
 Amortization of goodwill
 Interest on debentures and amortization of deferred

LOSS BEFORE TAXES ON INCOME AND EXTRAORDINARY ITEMS

Taxes on income (recovery) — current
 Taxes on income (reduction) — deferred

**LOSS BEFORE EXTRAORDINARY ITEMS
 EXTRAORDINARY ITEMS**

Income tax reduction due to prior years' losses
 Loss from discontinued real estate operations

NET LOSS FOR PERIOD

Loss per share before extraordinary items
 Loss per share after extraordinary items

INTERIM UNAUDITED CONSOLIDATED STATEMENT OF

SOURCE OF FUNDS

FROM OPERATIONS

Net loss for period before extraordinary items
 Non-cash items included in determination of net loss
 Depreciation and amortization of fixed assets
 Amortization of deferred startup costs and
 Amortization of goodwill

Sale of real estate
 Decrease in mortgages receivable — real estate
 Decrease in investments
 Issue of common shares
 Decrease in long-term receivables
 Income tax reduction due to prior years' losses
 Deferment of income taxes payable

USE OF FUNDS

FROM OPERATIONS

Net loss for period before extraordinary items
 Non-cash items included in determination of net loss
 Depreciation and amortization of fixed assets
 Amortization of deferred startup costs and
 Reduction of deferred income taxes

Decrease in mortgages payable on sale of real estate
 Increase in long-term receivables
 Increase in mortgages receivable — real estate
 Increase in real estate
 Purchase of fixed assets
 Payment of dividends
 Decrease in loans payable — real estate
 Purchase of goodwill
 Increase in investments
 Real estate operations

Increase (decrease) in working capital
 Working capital deficiency — January 1
 Working capital deficiency — June 30

FROM: Robert S. Taplinger Associates - (Contact: Wriston H. Locklair)
415 Madison Avenue, New York, N.Y. 10017 - (212) PLaza 2-7722

AR30

FOR IMMEDIATE RELEASE

SLH
SHAREHOLDERS OF OSF INDUSTRIES LTD.

APPROVE INCREASE IN COMMON SHARES

Shareholders of OSF Industries Ltd. of Toronto, Canada (TSE) at a special meeting today, approved a proposal to increase the number of authorized common shares to 7.5 million from 3 million, according to Milton Shier, president. This meeting was held on Friday, April 25, 1969

The shareholders also approved a plan to create 1.5 million non-voting non-participating redeemable \$1 par preferred shares.

OSF Industries Ltd. is the largest Canadian supplier of furniture, fixtures and decor for the retail and food service industry and for commercial, industrial and service institutions.

One of the company's subsidiaries, Roberts Realty of the Bahamas, Ltd., which is now developing a major resort complex on Great Harbour Cay in the Bahamas, recently completed the acquisition of the Culver Studios in California. Plans call for motion picture and television production by the re-named Beverly Studios, Inc. as well as music publishing and recordings.

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4/25/69

OSF INDUSTRIES LIMITED

Notice of General Meeting of Shareholders

NOTICE IS HEREBY given that a general meeting of the shareholders of OSF Industries Limited (the Company) will be held in the Board of Trade Building, 11 Adelaide Street West, Toronto, Ontario, on Friday, the 25th day of April, 1969, at the hour of 3 o'clock in the afternoon (Toronto time) for the following purposes:

1. To consider and, if approved, to confirm with or without variation, a resolution passed by the directors of the Company on January 10, 1969, authorizing an application to the Lieutenant Governor of the Province of Ontario for the issue of supplementary letters patent increasing the authorized capital of the Company by the creation of an additional 4,500,000 common shares without par value ranking on a parity with the existing 3,000,000 common shares without par value of the Company whether issued or unissued and by the creation of 1,500,000 non-voting non-participating redeemable preference shares with a par value of \$1.00 each;

A copy of the said resolution is attached hereto and forms part hereof.

2. To transact such further and other business as may properly come before the meeting or any adjournment thereof.

DATED the 2nd day of April, 1969.

BY ORDER OF THE BOARD,

Harry Shier,
Secretary-Treasurer.

NOTE: If you are unable to be present personally at the meeting, you are urged to complete and sign the enclosed form of proxy and return the same.

RESOLUTION

WHEREAS the authorized capital of OSF INDUSTRIES LIMITED (hereinafter called the "Company") consists of 3,000,000 common shares without par value, of which 2,043,300 shares have been issued and are now outstanding as fully paid and non-assessable;

AND WHEREAS it is deemed desirable to increase the authorized capital of the Company.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Company be and it is hereby authorized to make application to the Lieutenant Governor of the Province of Ontario for Supplementary Letters Patent:

- (a) increasing the authorized capital of the Company by creating an additional 4,500,000 common shares without par value ranking on a parity with the existing 3,000,000 common shares of the Company; provided that the 7,500,000 common shares shall not be issued for a consideration exceeding in amount or value the sum of \$13,500,000.00 or such greater amount as the board of directors of the Company deems expedient on payment to the Treasurer of Ontario of the fees payable on such amount and on the issuance by the Provincial Secretary of a certificate of such payment;
- (b) increasing the authorized capital of the Company by creating 1,500,000 6% non-voting non-cumulative non-participating redeemable preference shares with a par value of \$1.00 each, and
- (c) providing that the said 6% non-voting non-cumulative non-participating redeemable preference shares with a par value of \$1.00 each shall have attached thereto the preferences, rights, conditions, restrictions, limitations and prohibitions which are annexed hereto as Schedule G.*

2. The directors and officers be and they are hereby authorized to do, sign and execute all things, deeds and documents necessary or desirable for the due carrying out of the foregoing.

* Schedule G has not been reprinted as part of this material.

OSF INDUSTRIES LIMITED

INFORMATION CIRCULAR

Management Solicitation General Meeting of Shareholders to be held on April 25, 1969

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the management of OSF Industries Limited (hereinafter called the "Company") for use at the general meeting of shareholders of the Company to be held at Toronto, Ontario, on April 25, 1969, for the purpose set forth in the attached notice of meeting. It is expected that the solicitation will be primarily by mail. The cost of solicitation will be borne by the Company.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed and, where a choice has been specified by the shareholder, will do so in accordance with the direction of the shareholder appointing him. In the absence of any direction to the contrary, it is intended that such shares will be voted for the confirmation of the resolution of the directors of the Company authorizing an application to the Lieutenant Governor of the Province of Ontario for the issue of supplementary letters patent increasing the authorized capital of the Company by creating an additional 4,500,000 common shares without par value and by creating 1,500,000 non-voting non-participating redeemable preference shares with a par value of \$1.00 each.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to matters not specifically mentioned in the notice of meeting but which may properly come before the meeting and with respect to amendments to or variations of matters identified in the notice of meeting. At the time of printing this information circular the management of the Company knows of no such matters to come before the meeting other than the matters referred to in the notice of meeting.

If any further or other business is properly brought before the meeting it is intended to vote on such other business in such manner as the person appointed as proxy then considers to be proper.

Proxies given by shareholders for use at the meeting may be revoked at any time prior to their use.

SPECIAL RESOLUTION AUTHORIZING APPLICATION FOR SUPPLEMENTARY LETTERS PATENT

The meeting has been called as a general meeting for the purpose of confirming, with or without variation, the resolution passed by the directors of the Company on January 10th, 1969, authorizing an application to the Lieutenant Governor of the Province of Ontario for the issuance of supplementary letters patent increasing the authorized capital of the Company by creating an additional 4,500,000 common shares without par value and by creating 1,500,000 non-voting non-participating redeemable preference shares with a par value of \$1.00 each.

The directors' resolution is required by law to be confirmed as a special resolution by at least two-thirds of the votes cast at a meeting of shareholders called for that purpose.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only shareholders of the Company of record as of the time of the general meeting to be held on April 25, 1969, will be entitled to vote at such meeting. Shareholders of the Company are entitled to one vote in respect of each share held at such time. The Company has only one class of shares. On March 25, 1969, 2,053,200 common shares without par value in the capital of the Company were issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors and senior officers of the Company, the following were at March 25, 1969, the only beneficial owners, directly or indirectly, of equity shares of the Company which carry more than 10% of the voting rights attached to all equity shares of the Company:

Shareholder	No. of Shares	Percentage of outstanding equity shares represented
Harry Shier	215,600	10.5%

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

On June 28, 1968 the Company acquired all the issued and outstanding shares in the capital of Roberts Realty of the Bahamas, Limited from Graham Limited, Rona Lynn Shier and John C. Lynskey for \$1,462,500 (Canadian) satisfied by the issue to the Vendors of 150,000 common shares of the Company. Particulars of that transaction were contained in the information circular furnished by the management of the Company in connection with the solicitation of proxies for use at the annual meeting of shareholders of the Company held on June 27, 1968. The acquisition of the shares of Roberts Realty of the Bahamas, Limited was submitted to the said meeting of shareholders and was approved unanimously by the shareholders present at that meeting. Rona Lynn Shier is the wife of Harry Shier who is a director, senior officer and shareholder of the Company, and the principal shareholder of Graham Limited is Harry Shier's father-in-law. Accordingly it may be said that Harry Shier had a material interest in the purchase by the Company of the shares of Roberts Realty of the Bahamas, Limited.

No person other than Harry Shier who has been a director or senior officer of the Company at any time since January 1, 1968, the beginning of the last completed fiscal year of the Company, has a material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any transaction since the commencement of the Company's last completed fiscal year or in any proposed transaction.

REVIEW OF CORPORATE ACTIVITIES

1. In January, 1969 the Company became directly involved in the real estate and development business in Canada by the acquisition of Grozbord, King & Associates Limited, certain related companies and three apartment projects in Metropolitan Toronto. The principals of Grozbord, King & Associates Limited, Arye Grozbord and Abraham King, remain employees of that company and are heading this increasingly active division of the Company. The Company is involved directly or indirectly through subsidiaries in the development of commercial, industrial and residential real estate. At the present time the Company's interest in lands owned or in the process of being acquired by it or its subsidiaries represents over 1800 residential units.

The Company issued 70,000 common shares to Messrs. Grozbord, King and the other vendors as well as warrants exercisable over a five year period entitling the holders thereof to purchase an additional 150,000 common shares of the Company at \$17.50 per share. As part of their employment contracts Messrs. Grozbord and King were each granted options to purchase a further 10,000 common shares of the Company at a price of \$24.86 per share pursuant to the provisions of the Company's stock option plan.

2. In February, 1969 the Company reached agreement in principle to acquire all the issued and outstanding shares of Gilbert Steel Limited. Gilbert Steel Limited is engaged in Canada in the business of detailing, fabricating, supplying and installing reinforcing steel bars to the construction

industry. The shares of Gilbert Steel Limited are being acquired for a consideration of \$6,000,000 (subject to adjustment based on the average profit of Gilbert Steel Limited for the five year period following closing) to be satisfied by the payment of \$1,000,000 in cash on closing, the delivery of 40,000 common shares of the Company on closing, valued for the purposes of the transaction at \$1,200,000 and the delivery five years after closing of common shares of the Company based on the market value of the common shares of the Company at the time of delivery, the number of shares to be delivered depending upon the balance owing. In addition the Vendors of the shares of Gilbert Steel Limited will receive warrants which will entitle them to purchase over a period of five years, a total of 37,500 common shares of the Company at the price of \$30.00 per share. Harry Gilbert and Jack Gilbert, the principal shareholders and senior executive officers of Gilbert Steel Limited, will be entering into long term employment contracts with that company.

3. In February, 1969 an announcement was made that the Company planned to establish a new division devoted to the acquisition and development of residential and commercial land in Canada. Basic to these plans was the agreement in principle reached by the Company with Mr. Keith Stewart. Mr. Stewart who has been actively engaged in the real estate and land development business throughout Canada for the past twenty years has agreed to head this division. In addition to the salary to be paid to Mr. Stewart he will participate in the profits earned by the new division.

4. On March 28, 1969, Beverley Hills Studios, Inc., a wholly-owned subsidiary of Roberts Realty of the Bahamas, Limited, completed a transaction which will enable it to acquire the Culver Studios, California, comprising over 40 acres of land and including 11 sound stages, back lot offices and related facilities. The transaction involves the leasing of the said property to Beverley Hills at a minimum net rental of \$250,000 per year, together with an option to Beverley Hills to purchase the property for \$9,250,000 and a similar option to the lessor to require Beverley Hills to purchase the property at the same price. The Culver Studios will be used for Beverley Hills' own productions, and for providing high quality rental facilities to independent producers. Originally the Selznick Studios, they have more recently been owned by Desilu Productions and Paramount Pictures. The operations of Beverley Hills will be directed by Louis A. Chesler as Chairman of the Board, Martin N. Leeds as President and Chief Executive Officer and Hugh O'Brian as Vice-President in charge of Creative Planning, all of whom have had vast experience in the television and motion picture industry.

5. Management of the Company and management of Roberts Realty have been negotiating to obtain long term capital to finance the development and expansion of the Canadian activities and the Bahamian activities. Management fully expects that if and when debt financing can be arranged it will be as part of a package which will include share purchase warrants. Accordingly the directors of the Company have authorized the creation of share purchase warrants and the issue at this time to the shareholders of the Company of such number of the said warrants as will entitle such shareholders to purchase in the aggregate 300,000 common shares of the Company at a price of \$30.00 per share. For every ten common shares held, each shareholder will receive one warrant entitling him to purchase one common share. The creation and issue of the warrants is subject to the prior approval of the Ontario Securities Commission and The Toronto Stock Exchange.

ANNUAL MEETING

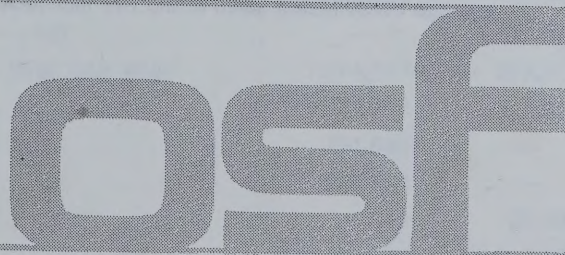
The directors of the Company plan to hold the annual meeting of the shareholders of the Company in May, 1969.

Toronto, Ontario,
April 2, 1969.

AR30

INTERIM REPORT

For Six Months ended June 30, 1969

The logo for OSF Industries Limited, consisting of the lowercase letters 'osf' in a bold, sans-serif font. The 'o' and 's' are connected, and the 'f' has a long, thin vertical stem extending downwards.

OSF INDUSTRIES LIMITED
and Subsidiary Companies

OSF INDUSTRIES LIMITED AND SUBSIDIARY COMPANIES

INTERIM UNAUDITED CONSOLIDATED STATEMENT OF INCOME (NOTES 1, 2 AND 3)

	<u>Six Months Ended June 30</u>	
	<u>1969</u>	<u>1968</u>
Profit before extraordinary item	\$2,374,926	\$1,731,191
Add: Extraordinary item-provision for contract cancellations no longer required (Note 1)	216,000	—
NET PROFIT BEFORE TAXES ON INCOME	\$2,590,926	\$1,731,191
Taxes on income (Note 2)	333,800	169,000
NET PROFIT	<u>\$2,257,126</u>	<u>\$1,562,191</u>
Average number of common shares outstanding during period	2,055,200	1,772,700
EARNINGS PER SHARE	<u>\$1.10</u>	<u>\$0.88</u>

NOTE 1: Roberts Realty of the Bahamas, Limited (a wholly-owned subsidiary of the Company) provided against its land sales contracts receivable a provision for contract cancellations equal to 10% of contracts receivable up to December 31, 1967 and 5% of contracts receivable from January 1, 1968 to June 30, 1969.

Based on experience the provision for contract cancellations in excess of 5% of the principal amount of term contracts receivable outstanding is no longer required. Accordingly, Roberts Realty has reduced its provision for cancellation of land sales contracts receivable by \$216,000 (\$200,000 U.S. Funds) as at June 30, 1969 which amount is reflected in the above Interim Unaudited Consolidated Statement of Income for the six month period ended June 30, 1969.

NOTE 2: The tax laws of the Bahamas in which Roberts Realty operates are such that its income is free from income taxes in the Bahamas.

NOTE 3: The Company's consolidated sales for the six month period ended June 30, 1969 increased by 78% over the Company's consolidated sales for the six month period ended June 30, 1968 and by 227% over the average consolidated sales of the five immediately previous similar six month periods.

OSF INDUSTRIES LIMITED AND SUBSIDIARY COMPANIES

INTERIM UNAUDITED CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	Six Months Ended June 30	
	1969	1968
SOURCE OF FUNDS		
Net profit for period	\$ 2,257,126	\$1,562,191
Add: Charges not requiring cash outlay		
Depreciation and amortization	141,167	84,531
Land and improvements:		
— deferred expenditures at commencement of period relating to lots sold in period	532,618	215,933
— estimated liability for improvements to lots sold in period	397,696	350,979
Increase (decrease) in provision for cancellation of land sales contracts receivable due after one year	(93,189)	67,492
Value of common shares issued for real estate sold	402,500	—
Other — net	13,874	6,452
	<u>\$ 3,651,792</u>	<u>\$2,287,578</u>
Mortgages on real estate—Canada, due after one year	5,162,314	—
Increase in notes payable due after one year	3,083,500	86,400
Issue of common shares	16,945	17,950
Issue of 7½ % convertible debenture	—	2,368,385
Other — net	112,804	24,689
	<u>\$12,027,355</u>	<u>\$4,785,002</u>
APPLICATION OF FUNDS		
Cost of real estate—Canada	\$ 7,853,497	\$ —
Increase in property, plant and equipment and leased installations	4,299,405	438,658
Expenses of acquisition of subsidiaries	121,922	29,309
Payments of dividends on common shares	54,792	35,086
Land and improvements relating to lots not sold	560,638	504,168
Decrease in estimated liability for improvements to lots sold in prior period	466,850	93,545
Redemption of 7½ % redeemable preferred shares — net	—	1,817,273
Increase in contracts receivable on land sales due after one year	1,674,076	973,077
Increase in investments	71,249	3,214
Advances to joint ventures and partnerships	781,643	—
Mortgage receivable due after one year	280,000	—
Other — net	540	25,653
	<u>\$16,164,612</u>	<u>\$3,919,983</u>
INCREASE (DECREASE) IN CURRENT ASSETS OVER CURRENT LIABILITIES (excluding estimated liability for improvements to lots sold)....	<u><u>\$ (4,137,257)</u></u>	<u><u>\$ 865,019</u></u>

OSF INDUSTRIES LIMITED

HEAD OFFICE

2256 LAKESHORE BLVD. WEST
TORONTO 14, CANADA

SUBSIDIARIES:

SUCCESS DISPLAY LIMITED
Scarborough, Ontario

ROBERTS REALTY OF THE BAHAMAS, LIMITED
Nassau, Bahamas

GROZBORD, KING & ASSOCIATES LIMITED
Toronto, Ontario

BEVERLY HILLS STUDIOS, INC.
Culver City, California